

WEST HAYMARKET JOINT PUBLIC AGENCY (JPA)
Board Meeting
June 25, 2010

Meeting Began At: 3:02 P.M.

Meeting Ended At: 3:44 P.M.

Members Present: Tim Clare, Jayne Snyder, Chris Beutler

Item 1 - Introductions and Notice of Open Meetings Law Posted by Door

Snyder opened the meeting and introduced herself, Mayor Chris Beutler and Regent Tim Clare.

The open meetings law is in effect and is posted in the back of the room.

Item 2 – Approval of the Minutes of the JPA Meeting June 10, 2010

Clare motioned for the approval of the minutes from the JPA meeting on June 10, 2010. Beutler seconded the motion. The motion passed 3-0.

Item 3 – Public Officials Liability Insurance

Bill Kostner, Risk Manager for the City of Lincoln, came forward. Kostner is recommending that the agency move ahead with an application for liability insurance with a \$5M limit. This protects the Board in case a decision is questioned or a claim is made against the agency. Aeon is the insurance broker and they will put it out on the market and come back with proposals within 30 days. The application will be completed pending the Board's approval. Clare requested to see the financials of the various companies that apply. Kostner explained that the City usually goes with an A+ rated insurer because they are the most reliable. Kostner requested a formal motion in order to move forward with the application.

Clare motioned for approval. Snyder seconded the motion. The motion passed 3-0.

Item 4 – JPA Request to District Energy Corporation Board to Provide Heating/Cooling Services to the West Haymarket Arena and Other West Haymarket Facilities

Lauren Wismer came forward and gave the Board members a copy of a draft letter for their consideration. The District Energy Corporation (DEC) has provided heating and cooling services to the County/City building and other facilities in proximity to the County/City Building for approximately 20 years. As an integral part of the arena project, it has always been under consideration for District Energy to provide heating and cooling services to the arena and potentially other facilities in the West Haymarket area. In

order for the DEC to proceed with planning and engineering feasibility studies, they would like to have a letter from the JPA requesting those services.

Beutler motioned to authorize Chair Snyder to forward to the Board of Directors of the DEC an executed copy of the draft letter. Clare seconded the motion. The motion passed 3-0.

Item 5 - JPA Budget and Public Hearing

Snyder introduced this item by stating that the purpose of the budget hearing is to hear support, criticism, suggestions, or observations of tax payers and citizens related to the proposed total project budget of the West Haymarket Joint Public Agency and the proposed operating budget for the West Haymarket Joint Public Agency. The operating budget is for the period beginning June 11, 2010 and ending August 31, 2010. These budgets were published in the Lincoln Journal Star on Sunday June 20, 2010 and are available for those in attendance.

Snyder recognized Don Herz, Director of Finance, and Steve Hubka. Herz explained that the capital budget of \$339,000,000 is essentially what was discussed and prepared prior to the formation of the JPA. The operating budget of \$151,000 is for the stub period from when the JPA was formed until the end of the fiscal year. A full fiscal year budget will be more extensive and Herz will begin working on the 10/11 budget soon. The operating budget will fund positions that will not be charging their time to construction projects including an Assistant City Controller, Assistant City Attorney, and Purchasing Agent. There are also some additional costs for various services in relation to the occupation taxes. Herz anticipates that the collection of the occupation taxes will entail a significant effort initially that can be addressed with temporary positions as opposed to permanent positions. The furniture, fixtures and equipment line item is for the three proposed positions. Clare asked if there was more detailed information for these items. Herz answered that there was and he would provide that to Clare.

Snyder requested that Herz explain to the public why the JPA is paying the City for some of these positions that already exist. Herz advised that these would be new positions. The JPA will contract with the City through a facilities agreement to do some of the administrative items. Rod Confer, City Attorney and counsel for the JPA, came forward and added that he currently has 1.5 attorneys devoted full time to the JPA. Rather than bill their salary to the agency, he felt it would be more appropriate to bill the agency for the attorney that will have to be hired to take over the work that isn't being done.

Beutler pointed out that the JPA benefits hugely from the City work that was done prior to the formation of the JPA. There is no plan to ask the JPA to reimburse the City for that work.

Snyder asked Herz to address the 20% engineering/design costs and how that is calculated. Herz stated that when DLR, and Olsson's were doing the analysis of the actual construction costs, an appropriate soft cost number was discussed internally. Herz felt that using 20% was more than adequate. Part of the strategy in developing this budget is to be conservative by trying to estimate high. The construction cost estimates were made at a time when construction costs were at their peak, and those numbers are still used. Additional amounts were added for inflation and contingency in order to arrive at the total cost. As time passes, some projects may be more expensive and some may be less expensive, thus Herz will probably come before the Board on an annual basis with adjustments to the capital budget.

Snyder opened the hearing to the public and asked that they introduce themselves and sign in. No one came forward.

Herz requested that the Board approve the operating and capital budget so that the City can proceed with filling the positions and start working on the application for the occupation taxes.

Clare motioned for approval of the operating budget as amended. Beutler seconded the motion. Motion passed 3-0.

Beutler motioned for approval of the capital budget. Clare seconded the motion. Motion passed 3-0.

Item 6 – JPA and the State Budget Act – Decision on Filing of Annual Budget

Steve Hubka gave the Board a form from the State Auditor that explains that because the JPA does not receive property taxes or state aid it is not required to file a budget. Steve requested that the Board approve this document as notification to the Auditor's office.. Another option is for the Board to submit this form and also send in a copy of the budget even though it is not required.

Snyder suggested that this issue be discussed with Item 9 related to the correspondence from the State Auditor.

Items 7 & 8 – Draft Facilities Agreement for Discussion & Draft Bond Resolution

Dan Marvin and Lauren Wismer came forward. Wismer explained that in the materials provided for this meeting, there was a draft of the facilities agreement and a draft bond resolution. The two documents are intended to coordinate with each other. The facilities agreement is intended to set out the duties and responsibilities of the City for the operation, management, and maintenance of the arena facility. It also establishes the basic framework for the flow of funds in terms of the revenues because there will be a number of bond issues rather than just one. It may be helpful to set up one flow of funds that could be incorporated in each of the bond resolutions so there is no difficulty figuring out where the revenues go. The facilities agreement is a work in progress. Wismer and Marvin welcomed any comments, questions or suggestions from the Board. They hope to finish up the drafts next week and have a version to the Board members in time for approval at the next meeting. Snyder indicated that the Board members will give feedback via e-mail as they review the documents.

Item 9 – Mike Foley Correspondence to the JPA Board

Snyder reported that Mr. Foley has agreed that the Board does not have to take action on this item until after the Mayor's office meets with him next week. Snyder recommended that the budget filing also be discussed at the meeting next week. Clare agreed that it is appropriate to handle both items at the same time.

Item 10 – Approve Reimbursement to the City of Lincoln for a Relocation Agreement with MCI

Dan Marvin explained that this item is a carryover from the previous meeting when the Board approved the Qwest reimbursement. At that time, the MCI reimbursement was not ready when the agenda was put together. The total of the two costs for Qwest and MCI are considerably less than what was budgeted with MCI coming to about \$132,000. Marvin would like to move forward to get those communication lines out of the way before dirt is moved around.

Clare motioned to approve the reimbursement of the MCI relocation services. Beutler seconded the motion. The motion passed 3-0.

Item 11 – PLA Administrative Regulation Draft Language

Beutler gave the Board members a copy of a letter from himself to Chair Snyder and explained that the letter constitutes a statement of intent regarding Project Labor Agreements (PLAs). Due to the Board being compromised of three members, and operating under the Open Meetings Act, the members cannot talk to each other regarding items of business that come before the Board except in a public meeting. That has made it difficult for the Board members to come up with a compromise on this issue since the last meeting. The Board members have made extensive efforts to communicate in the best ways that they legally can.

Beutler pointed out that the arena election brought together a broad coalition of people in the community. Lincoln has a history of good cooperation between labor and business. He does not want to see anything introduced that would interfere with that relationship. The letter indicates that the Board will not use PLAs on the arena and includes language from the City's living wage ordinance. Beutler thanked Regent Clare for his work on the matter and those in the business community that were involved including LIBA and the Chamber of Commerce. He also recognized those in organized labor for their continued commitment to Lincoln's working families and for being more than willing to make sacrifices for the good of the community.

Clare agreed with Beutler's statement. The election on May 11, 2010 was Lincoln's finest hour and brought people from different factions together. The job of the Board is to get the project completed on time and under budget. This compromise will put parameters in place that will help this project move forward.

Snyder added that on the night of the election there was a great sense of cooperation as people celebrated the victory of the arena vote. The Board members have spent many hours over the last ten days trying to reach a compromise to do what is best for the City of Lincoln and not delay any of the project activities. Snyder commended everyone that helped the Board members come to a consensus.

Beutler presented the letter to Chair Snyder and made a motion that it should be accepted and made part of the record. Snyder seconded the motion. Motion passed 3-0.

Item 12 – Other Business: Possible Future Agenda Items

Dan Marvin came forward to discuss items that may be coming before the Board soon. The RFP for environmental services has closed and is in final negotiations. The RFP for survey work is also in final negotiations. Marvin was informed that the survey work would total approximately \$150,000. Once there are more concrete numbers, other reimbursement resolutions will also come forward. Negotiations continue.

with DLR, a consortium of architectural firms, and Marvin will bring more information forward at a future meeting. There are also other RFPs that are past the draft stage and will be moving forward. At the July 9th meeting the Board can have an extended discussion regarding the facilities agreement and bond resolution.

Item 13 – Set Next Meeting Date: Friday, July 9, 2010 3:00 P.M.

The next JPA Board meeting is scheduled for July 9, 2010 at 3:00 P.M.

Item 14 – Motion to Adjourn

Clare motioned to adjourn. Beutler seconded the motion. Motion passed 3-0

Meeting adjourned at 3:44.

Prepared by: Melissa Ramos-Lammli, Engineering Services